

Deputation to JHOSC, North Central London, 12 March 2021

Background

NCL CCG have given their agreement to a change in control of the 8 APMS contracts in North Central London which have hitherto been held by the company AT Medics Ltd, allowing them to pass over the contracts to Operose, a wholly owned subsidiary of Centene Corporation, a vast American insurance company which makes its money from providing medical cover for Medicare, Medicaid and the Affordable Care Act (Obamacare). Centene has a litany of violations of its responsibilities and has been heavily fined by the US regulators. A T Medics held 49 contracts across London, including the 8 NCL practices. This makes Operose /Centene the biggest provider of GP services in England.

There has been strong public objection to this change both through the local press, through all Executive lead members on Health and Social Care in the five boroughs, and through motions in local political parties. There would undoubtedly have been street demonstrations had it not been for lockdown. It is inconceivable that the CCG would have selected a subsidiary of Centene Corp in open competition. Its track record in the USA would have ruled it out. Centene used a less objectionable locally based company, AT Medics Ltd as a Trojan horse, buying them up and with that their contracts with the NHS. Profits after tax for A T Medics Ltd for the years 2016 -2020 from their 49 contracts across London was £28.4m and it is rumoured that the six GPs who were the directors of A T Medics Ltd received £140m for the sale of their company.

What NCL CCG did and did not do

NCL CCG claims that their hands were tied. Transfer of NHS contracts between companies is prohibited unless allowed by the commissioner if they are satisfied with assurances that the contract will operate as before and that the current contract holders ask permission in advance. If this process is not followed, the commissioner may re-procure the contract. A T Medics Ltd gave the assurance that as they would remain directors of the company control would remain unchanged in practice. This was recorded in the minutes of the primary Care Commissioning Committee (PCCC) of 17 December 2020 and the minutes were confirmed as correct at their next meeting on 18 February 2021. But A T Medics directors all informed Companies House on 10 February that they had resigned as directors of A T Medics. They were replaced by people who were employees of Centene and Operose. In an emailed letter on 20 February from 19 health campaigning organisations the CCG was informed of that situation but during the following week they took the decision anyway to agree the transfer. So they had the opportunity legally to put a stop to this Trojan horse manoeuvre but did not do so.

Moreover, although they claim that the issue was fully discussed by all members of the PCCC on 17 December, no mention was made there of Centene. The information that they

were involved was confined to Part 2 of the meeting which was not made available to the public and from which all non-voting members, including the community members, were excluded. The CCG clearly knew it had something to hide.

Had they taken the decision to re-procure the contracts, It is likely that A T Medics / Operose/ Centene would have kept their service in place to allow that to happen, and they may have been contractually obliged to do that. Even if they had not done so, the GP Federations could have been asked to supervise the service being delivered by the current salaried GPs working in the practices, new salaried doctors or locums. We have heard that the Islington Federation would have been willing to do that.

We are sure that NCL CCG was put under a lot of pressure by NHSE to waive through this change of control, making the most of the current emergency to make changes they wanted to make anyway, as discussed in our deputation to you in September 2020. We believe this is not unconnected to the desire to have a free trade deal with the USA and to demonstrate that US health interests would be welcome in the UK.

Strategic issues raised by this matter

1. The CCG had the choice of serving the interests of the public of North Central London in the decision, or following instructions from NHS England. How will they seek to restore the broken trust of leading members of the local authority, with whom forthcoming legislation requires them to work in partnership, and how will they restore the trust of the wider public
2. What lessons have they learned about the need for transparency from the decision to confine discussion of the presence of Cetene in this matters to the closed Part 2 of a public meeting. Will they acknowledge that recent public statements and letters from the CCG have falsely claimed that there was full discussion by the PCCC. Will they guarantee not to use the Part 2 device in future for matters of public interest, reserving it for matters where confidentiality for individual people is required.
3. Will the CCG write to members of the public covered by these 8 practices, explaining what has happened and also that they have a choice about which practice they wish to use, and further explain how they should go about transferring elsewhere. This letter should contain messages in languages other than English showing how the user of that language can find out more. The same information should be available on the CCGs website.
4. What is the remaining term of all APMS contracts and what are the arrangements for rolling over or re-commissioning them. Are there other APMS contracts in North Central London held by other companies. What contingency planning has the CCG undertaken about how to respond if Centene / Operose make a similar takeover bid for those companies. How will the CCG respond in future if an existing PMS / GMS practice fails. Will they create a new APMS contract.

Prof Sue Richards, on behalf of NCL NHS-Watch, 9 March 2021